

TENNESSEE STATE SCHOOL BOND AUTHORITY
MAY 26, 2015

The Tennessee State School Bond Authority ("TSSBA" or the "Authority") met on Tuesday, May 26, 2015, at 1:20 p.m., in the Executive Conference Room, Ground Floor, Tennessee State Capitol, Nashville, Tennessee.

The following members were present:

Honorable Justin Wilson, Comptroller
Honorable Tre Hargett, Secretary of State of Tennessee
Honorable David Lillard, State Treasurer
Angela Scott, proxy for Larry Martin, Commissioner of Finance and Administration
Chancellor John Morgan, Tennessee Board of Regents
Robbi Stivers, proxy for Dr. Joe DiPietro, President, University of Tennessee

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked for a motion to approve the minutes of the meeting held on February 26, 2015. Mr. Hargett moved approval of the minutes. Mr. Morgan seconded the motion, and the minutes were unanimously approved.

Mr. Wilson stated that the next item on the agenda was the consideration and approval of the projects for the Tennessee Board of Regents. Mr. Wilson stated that both projects would be presented together. Mr. Wilson recognized Mr. Dick Tracy, Executive Director, Facilities Development, who presented the following projects for consideration for the Tennessee Board of Regents:

- East Tennessee State University – New Football Stadium (350); Cost: \$16,800,000 of which \$14,400,000 will be funded by TSSBA; Term of Financing: 30 years as long-term financing
- Austin Peay State University - Property Acquisition (729); Increase in Cost of \$5,300,000 for a total funding of \$7,000,000 to be funded by TSSBA; Term of Financing: 5 years as short-term financing

Mr. Hargett moved approval of the projects. Mr. Stivers seconded the motion, and it was unanimously approved.

Mr. Wilson stated that the next item on the agenda was the consideration and approval of a project for the University of Tennessee. Mr. Wilson recognized Mr. Stivers, who presented the following project for consideration for the University of Tennessee:

- University of Tennessee, Chattanooga – West Campus Housing (A80); Cost: \$80,000,000 of which \$74,088,000 will be funded by TSSBA; Term of Financing: 30 years as long-term financing

Mr. Hargett noted that the school was pledging Student Transportation fees to cover a portion of the debt service on this project. He inquired about this fee, noting that the application showed that this was a \$4 per credit hour fee. Mr. Stivers noted that this fee allowed students to use the on-campus bus transportation system. Mr. Hargett asked what percentage of students utilize the UT transportation system. Mr. Stivers stated that he did not have that information, but that he would get the answer to that question and provide it to the Authority.

Mr. Morgan moved approval of the project. Mr. Wilson seconded the motion and it was unanimously approved.

Mr. Wilson called upon Sandi Thompson, Director of the Office of State and Local Finance, to report on the recent sale of the 2015 Series A (Taxable) and Series B bonds. Ms. Thompson stated there was a

copy of the report in the meeting packets. Ms. Thompson stated the par amount of the bonds totaled \$464,165,000 making it the largest bond sale for the Authority to date. Ms. Thompson noted that the final maturity for both series was November 1, 2045. She added that the true interest cost was 2.85% for the 2015 Series A bonds and 3.39% for the 2015 Series B bonds. She explained that the lower cost on the taxable was a result of the predominantly shorter maturities in Series A. She stated that the average underwriters' discount was 48 cents and 49 cents on the Series A and Series B bonds, respectively. Ms. Thompson then called attention to the savings on the bonds, stating that the total present value savings was \$3,486,421.71 or 8.60% of refunded par for the Series A bonds and \$9,435,510.93 or 7.04% of refunded par for the Series B bonds.

Mr. Wilson stated that the next item on the agenda was the acknowledgment of submission of the Reports on Debt Obligation for the TSSBA's 2015 Series A and B bonds. These reports had been provided to the Authority members. Mr. Wilson noted that statute required that the report be submitted to the Authority.

Mr. Wilson then briefly discussed a recommendation that the Authority should consider issuing a Request for Proposal ("RFP") for Bond Counsel. Mr. Wilson recommended that the timeframe for sending out the RFP should coincide with the State Funding Board's issuance of an RFP for bond counsel, which he suggested could be sent in the late fall.

Mr. Wilson asked if there was other business to be presented to the Authority. Hearing none, he adjourned the meeting.

Approved on this 23rd day of June, 2015

Respectfully submitted,



Sandra Thompson
Assistant Secretary